3: Roberts S-4 (no date)1951 ED1 Rumania ED1

position to utilize credit very effectively, he was burdened with debts. 452
These debts, for the most part, had not been contracted for capital investment in improved agricultural equipment but rather to meet his deficit of net income or to enable him to purchase land.[21] The supply of credit to agriculture was not sufficient to ease this burden. The underlying difficulty, of course, was the general lack of capital in Rumania; the available supply moved toward industry, a more remunerative and less precarious field than agriculture. It is not easy to determine whether credit discrimination in favor of industry was greater than the difference in risk between agriculture and industry. Certainly Rumanian agriculture offered very little security to loans, especially since many of the new allotments of land were legally inalienable.

But just as industry was being consciously fostered, so the diversion of credit away from agriculture was not solely the result of economic factors. For one thing, credit institutions were primarily designed for the benefit of industry; in 1925 the governor of the National Bank remarked that while Rumania had a national bank to help trade and a Society for Industrial Credit to help industry, there was no organized agricultural credit on a similar scale.[22] In any event, by 1938 industry was receiving double the amount of credit going to agriculture, not including foreign credit. Between 1928 and 1938 the National Bank's discounts to industry rose from 32.02 to 55.95 per cent of the total, whereas discounts for agriculture dropped from 22.97 to 4.94 per cent.[23] Under these circumstances it is not surprising that many a peasant was forced to go to the usurer to whom he had to pay exorbitant rates of interest, and went on from year to year falling deeper and deeper into debt.

Standard of Living

Unfortunately, there are no sound official evaluations of the Ru- 434 ●
manian national income. Certain estimates have been made but they can serve only as a rough guide. Colin Clark has put the Rumanian income per head of working population, between the years 1925 and 1934, at 243 international units (i.e., the amount of goods and services that could be purchased for $1 in the United States over the

21. In 1928 the interest charge on debts equalled 10 to 11 per cent of the average gross income on 6,000 farms; after the agrarian depression, in 1931, this rose to 35 per cent. N. Cornăţeanu, "Effects of the Agricultural Crisis on Peasant Farms in Rumania," *International Review of Agriculture, 22,* No. 7 (Rome, 1931), 208E.

22. Quoted in Mitrany, *op. cit.*, p. 424.

23. Madgearu, *op. cit.*, p. 353.

3: Roberts S-4 (no date)1951 EDl Rumania EDl

434 decade 1925–35). In Mr. Clark's opinion, this represented a drop from a pre-1914 level of 298 international units and set Rumania at the bottom of the eastern European states: [24]

INCOME PER HEAD OF WORKING POPULATION, 1925–34 (IN INTERNATIONAL UNITS)

Rumania	243
Bulgaria	284
Yugoslavia	330
Hungary	359
Poland	352
Czechoslovakia	455
Great Britain	1,069

It is very difficult, however, to make a satisfactory comparison of Rumania's national income before and after the First World War because of the addition of new territories which doubled the area and population and because of the depreciation of the leu. A comparison of the per capita consumption of certain manufactured articles in 1913 and 1927 shows a slight improvement: [25]

ANNUAL PER CAPITA CONSUMPTION IN KILOGRAMS

	1913	1927
Sugar	4.59	5.94
Cotton goods	2.26	2.82
Paper	1.41	2.50
Soap	0.20	0.41

On the other hand, the per capita consumption of cotton goods, which is a fairly good measure of the purchasing power of the peasant, showed no steady advance over the last sixty years. Local consumption of cereals, especially of wheat, increased after the agrarian reforms, although at the expense of exports. Peasant housing appears to have improved through the introduction of better building ma-

[113]

24. Colin Clark, *The Conditions of Economic Progress* (London, 1940), pp. 40, 132. The method used to reach this conclusion was, by necessity, quite complicated. The pre-1914 national income estimate for the Old Kingdom was taken from Dresdener Bank figures; estimates for Bucovina and Transylvania were taken from studies on Austria-Hungary by Walzner and Fellner. The figure for Bessarabia was established arbitrarily. In addition to the task of combining these three estimates, it was necessary to take into account the enormous depreciation of the leu from its pre-1914 level and the change in the level of prices. Given the ultimate uncertainty of Rumanian statistics, it seems impossible to judge the probable accuracy of Mr. Clark's estimate.

25. Madgearu, *op. cit.*, p. 186.

3: Roberts S-4 (no date)1951 ED1 Rumania ED1

terials and wooden floors, and it is quite possible that there were other improvements in village conditions which would not appear in statistics.

The depression greatly reduced the Rumanian income, and by 1937 the per capita real income had not yet regained the 1927 level.

In the chapter on population it was seen that Rumania had an extremely high death rate. This was matched by an extraordinarily high infant mortality rate, the highest in Europe. Between 1931 and 1938 infant deaths showed no sign of declining, but ranged between a maximum of 19.2 per 100 living births in 1935 and a minimum of 17.4 in 1933.

The low standard of living implicit in the vital statistics is also reflected in the dietary deficiencies of the Rumanian peasant. A number of surveys taken in the 1930's reached the same general conclusions:[26] while the caloric content of the diet was usually adequate, its quality was very poor; an excessive consumption of grains, especially maize in the form of corn meal (*mămăligă*) and not enough animal products or protective foods. Seasonal consumption, as might be expected, varied widely. The prevalence of pellagra has been an obvious indication of an unbalanced diet.

Statistics on housing, disease, medical service, education, and illiteracy confirm the impression that the Rumanian peasant had one of the lowest standards of living in Europe. Admittedly, the statistically average Rumanian is an abstraction. Peasants with holdings over 5 hectares lived better and were healthier than peasants on dwarf holdings. The husbandman with an intensively cultivated farm in Ţara Bârsei in Transylvania had about three times the income of the small holder in Dobrogea. Nevertheless, the flat picture of widespread poverty and squalor presented by the statistics is not far from the truth. The colorful costumes and picturesque folk dances of the Rumanian peasantry should not obscure the fact that in 1930 nearly half the population was illiterate and in 1938 one child in five died before it was a year old.

Accompanying this peasant poverty was a marked inequality in the distribution of the total income. Rumanian statistics do not permit an exact estimate of its extent, but it was perfectly obvious to anyone who visited Bucarest. The unmistakable signs of luxury spending

26. D. C. Georgescu, *L'Alimentation de la population rurale en Roumanie* (Bucarest, 1940); W. Aykroyd, I. Alexa, I. Nitulescu, "Étude de l'alimentation des paysans dans la région à pellagre de Moldavie," *Archives roumaines de pathologie expérimentale et de microbiologie* (Paris, 1935); Ioan Claudian, *Alimentaţia poporului romîn* (Bucarest, 1939).

3: Roberts S-4 (no date)1951 ED1 Rumania ED1

—palatial villas and flats in the residential sections, large automobiles, yachting clubs, and Parisian fashions—were in startling contrast to the conditions in the countryside. While the employment of surpluses in unproductive expenditure is a characteristic of undeveloped economies, this tendency was somewhat aggravated in Rumania by the inheritance of boyar extravagance and by the traditional social chasm between the peasant and the ruling groups. To some extent the unequal distribution of income was derived from the pre-1914 oligarchic agrarian society, but a great deal of the actual wealth was gained through industry and finance and through state connections.[27] Unequal distribution was not reduced by the tax structure, which depended largely upon indirect taxes on consumption goods and only to a limited degree upon income taxes.[28]

The economic importance of this distribution of income is difficult to measure. Obviously a mere leveling out of incomes would not make the Rumanian peasant significantly wealthier. On the other hand, the diversion of the nation's relatively limited surpluses into nonproductive expenditure undoubtedly restricted much-needed investments in agriculture and industry. In general, the social significance of this inequality—its reflection of the deep abyss between town and country—was more important than the immediate economic effects.

In its broad features the Rumanian economy during the interwar years resembled that of the pre-1914 Old Kingdom. The addition of new territories increased the internal market and provided important resources and industries. With these advantages came the task of unifying the economies of the different provinces and of recovering from the war. On the international level, the situation was less favorable than before; world trade was more restricted, especially after 1931; the industrial states protected their agriculture; the supply of foreign credit was limited and fell off greatly in the depression. For these reasons, plus a mixture of economic and nationalist mo-

27. The importance of politics and government connections in the acquisition of wealth in Rumania is proverbial, partly because the government played such an important role in economic undertakings. In 1939 the capital invested in state economic enterprises was considerably larger than the total capital investment of all private commercial and industrial undertakings. Madgearu, *op. cit.*, p. 360.

28. In 1935/36 22.8 per cent of the total tax revenue came from income and other direct taxes; 12.3 per cent from taxes on property transactions; 12.1 per cent from turnover taxes; 44.9 per cent from consumption taxes; and 7.9 per cent from customs duties. PEP study (Political and Economic Planning), *Economic Development in S.E. Europe* (London, 1945), p. 21.

3: Roberts S-4 (no date)1951 EDI Rumania EDI

175 leadership divided, many of the party's most capable men deserted, the party's popularity declined, and an increasing number of peasant supporters were attracted to the Iron Guard.

3) An apparent recovery of the Liberals. The Liberal party had been badly hit by their defeat in 1928 and the schism between Vintilă Brătianu and Gheorghe Brătianu, occasioned by Carol's return. With Vintilă Brătianu's death in 1930 the way was cleared for a gradual reconciliation with the king. The Young Liberals (Gheorghe Brătianu) failed to make any significant headway, and under Duca the old Liberals seemed to be heading for a comeback.

4) The flowering of fascism. The meteoric rise of the Iron Guard was the most spectacular event of those years, and trailing in its wake were a number of less fiery fascist, semifascist and anti-Semitic formations of unequal importance. In the party system they served to replace the older coteries, such as Iorga's and Averescu's parties, which were fading from the scene, but in fact they heralded the collapse of parliamentary government.

5) The total impotence of the Left-wing labor movements. They had never been strong in Rumania, but during these three years they were driven from the offensive, however weak, to the defensive. Popular discontent did not, after 1933, swell the ranks of the labor movements but strengthened the Iron Guard.

The Struggle against the Depression

●434 439 During these years the economic situation steadily deteriorated. It was estimated that the nominal national income in lei dropped by about 45 per cent between 1929 and 1932.[8] While Rumania was able to maintain a positive balance of trade throughout the depression, the value of exports fell from 29 billion lei in 1929 to 14 billion in 1933 and 1934, even though the weight of exports increased from 7,000,000 metric tons to 8,000,000. Imports fell from 1,102,000 metric tons in 1929 to 467,000 in 1933 (450,000 in 1932). State revenues declined from 36 billion lei in 1929 to 18 billion in 1933.

439 The depression in Rumania had been initiated by the world agricultural crisis in 1929, which produced a tremendous fall in the price of agricultural products, particularly disastrous in the Balkan states because of their inability to compete with the great overseas producers. As industrial commodities fell neither so soon nor so far the resulting price scissors hurt the peasant as agricultural producer

8. Royal Institute of International Affairs, *South-Eastern Europe* (Oxford University Press, 1939), p. 127.

neglecting the peasants; on the contrary, they saw in them a numerous and profitable crowd of clients for the banks, the majority of which were under their control. The less pecuniary aid the peasant obtained from the State, the greater would be his need of the private bank or usurer. And so well did the latter entangle the peasants in their tentacles that within ten years of the enactment of the Land Distribuion Act the debts contracted by the peasants had surpassed the value of their lands. Thus the much-belauded agrarian revolution in Rumania was threatened with complete failure, and so another revolutionary measure had to be passed, the strangely-termed "law for the sanitation of agrarian debts," in order to save the peasantry from being dispossessed of their land.

The *Argus* of 13th February, 1932, published the following table which shows how the land was actually distributed:

Area of properties.	Total hectares.	Percentage of area.	Number of proprietors.	Percentage of total. Owners.	Average area of farm for each category.
Up to 5 hectares ...	6,280,993	43.60	3,731,403	84.20	1.94
5 to 10 hectares ...	2,919,863	20.20	435,715	11,30	6.70
10 to 50 hectares ...	2,392,689	16.60	148,860	3.90	16.07
50 to 250 hectares ...	1,505,257	10.40	18,122	0.50	83.06
Over 250 hectares ...	1,305,670	9.10	2,597	0.10	502.00
Total ...	14,404,462,	100.00	3,836,757	100.00	3.75

As one hectare sown to wheat yields approximately 1,200 kg. of wheat, and the average price of wheat during 1931 was about 2.25 lei, the revenue per hectare may be reckoned at about 2,700 lei. As the average holding of 84 per cent of the peasantry is about 2 hectares, the paper assumed that the revenue of each peasant household amounted approximately to some 5,400 lei, or about 160 gold francs. For the year 1931 the total revenue from agriculture was computed at 46,500 million lei, of which 21 milliards were derived from the cattle-rearing industry, 21 milliards from cereals, and 4½ milliards from other plants. Other crops were even less profitable; thus the average price of maize was 1.50 lei per kg. and the yield 1,500 kg. per hectare, so that the revenue per hectare amounted to 2,250 lei, and the figures for barley were respectively 2 lei, 1,400 kg., and 2,800 lei.

AGRICULTURE

It was the policy of imposing export taxes on all agricultural produce, which despoiled the peasantry of all the legitimate profit they should have made on the marketing of their grain, and which not only tended to discourage them from increasing the area under cultivation but prevented them from consolidating their position as independent farmers. Indeed, had not the Rumanian peasant been unduly burdened with taxes during the years following the conclusion of the war, when cereals fetched highly remunerative prices, he would undoubtedly have been able to make sufficient money to equip himself with the necessary instruments and cattle for his farm, avoided running into debt, and he would even have been able to constitute a small reserve on which to draw in the lean years. But these possibilities were frustrated by the culpable negligence of his rulers. And yet there were plenty of men who clearly foresaw and foretold the disastrous outcome for agriculture of such negligence, and protested against this system as well as against the undue partiality accorded by Government circles to industry in general. Certain organs of the Press continued for years to warn the public, and to deprecate the disastrous policy that was being followed. But it was in vain, the Bratianus would accept no counsel from anyone. The *Argus* on October 21st, 1926, commenting on this theme, drew the following conclusions:

"From the above-cited appreciations one may infer that on one hand the prices obtained by the producers are below those they secured before the war, while on the other hand the prices of the articles they need for their upkeep are at about 70 per cent above the pre-war level. In spite of these facts all these taxes which burden production are being maintained, and agriculture is placed not only in an impossible situation for developing itself but in a state of inferiority when compared with that of other countries which export cereals."

In another article published by the same paper on October 10th, 1926, we find a similar pessimistic strain: "From the above figures it becomes obvious that agriculturalists instead of making a profit have lost money, both this year and in previous years of drought. Such a result has completely discouraged them, especially the younger among them..."

315 382 southern slopes of the bend of the Carpathians, where the mountains gradually merge into the plains of Wallachia and Moldavia. About two-thirds of the production is secured from the regions of Moreni and Ochiuri, the basins of the rivers Prahova and Dombovitsa furnishing almost 90 per cent of the total yield. There are minor fields farther east in the neighbourhood of Buzau, and also in Moldavia in the region of Bacau. The main oil refineries are situated at Ploești. The capital invested in the oil industry is estimated at 11 milliard lei, 60 per cent of which is Rumanian. The number of workmen employed in the industry is about 30,000. The output of crude oil for the years 1928–30 was:

Year	*Tons*	*Estimated value in lei*
1928	4,282,377	7,345,923,066
1929	4,836,974	7,441,204,190
1930	5,792,311	6,552,118,582

[471] About half of the yield was from oilfields owned by the State. The ratio for 1930 was 3,083,468 tons from State-owned oilfields, or 53.20 per cent, and 2,708,843 tons, or 46.80 per cent, from privately-owned oilfields. The quantities produced were distributed per region as follows: Prahova, 4,275,721 tons; Dambovița, 1,390,215 tons; Buzau, 61,225 tons; Bacau, 65,150 tons.

Of the total output for 1930, some 1,602,757 tons were consumed locally. At the end of June, 1932, it was reported that the total monthly output had attained about 543,000 tons, the average monthly production of the principal companies being as follows: Astra Romana, 109,464 tons; Steaua Romana, 83,667 tons; Concordia, 78,974 tons; Creditul Minier, 27,760 tons; Romano-Americana, 33,800 tons; Phoenix, 65,286 tons; Prahova, 20,878 tons; and Columbia, 17,564 tons.

315 484 382 Prices of petroleum products having dropped to the extent of 75 per cent since 1928, the Rumanian oil industry is passing through an era of grave depression which is causing a very serious repercussion on the whole economic life of the country, taking into account the great amount of capital in-

vested in it and the high contribution it is expected to make to the revenue of the State. The average price in lei of petroleum products per ton during the years 1928–31 were as follows, as reported by the Constantsa *Chamber of Commerce Bulletin*: 1928, at 4,080; 1929, at 3,800; 1930, at 2,600; 1931, at 1,031 lei. The following table, which gives quotations of the leading oil shares on the Bucarest stock market, is indicative of the depression which exists:

Average annual quotations

Share	1929	1930	*June* 1931	*June* 1932
Astra Romana ...	2391	1430	500	340
Steaua Romana ...	1234	571	230	135
Speranța	1210	639	380	100
Petrol Block ...	320	176	75	54
Concordia	1286	767	265	250
Creditul Minier ...	690	364	185	90
Redevența	321	182	65	30
I.R.D.P.	397	143	92	35

The other mineral resources of Rumania are considerable, especially in Transylvania, but no proper geological survey has ever been made, nor have any mines other than salt mines ever been properly exploited. The following figures give the quantities of minerals mined during 1930, the total value of the same being estimated at 10,437 million lei: Lignite, 2,071,057 tons; coal, 298,825 tons; copper, 6,655 tons and 169; iron, 92,517 tons; manganese, 33,528 tons; bauxite, 678 tons; pyrites, 24,264 tons; amber, 107 tons; salt, 304,777 tons; lead and antimony, 984 tons; lead glaze, 194 tons; gold, 2,672 kilograms, silver, 4.418 kilograms.

Lignite is found in extensive beds not only in Transylvania and the Banat but also in the old kingdom. It is mainly used for the railways. The better qualities of coal are found in south-western Transylvania and the Banat. Copper is principally mined at Tulcea, near the mouth of the Danube, and at Ciuc in Transylvania.

241 very largely on the acquisition of tractors and other equipment. Only Germany can provide these requisites and it is of interest that, despite the poor contribution Rumania has hitherto made to Germany's food supplies, the latter has gone some way to assist the attempted reform. Over 4,000 [439] tractors with their ploughs and a variety of other implements have been imported from Germany during the war years. Tractor numbers in Rumania have probably been more than doubled by these imports, but they still represent only the beginnings of mechanisation. They have doubtless been supplied, despite insistent demands for tractors in Germany and elsewhere, in the belief that, if properly applied, they may make some slight increase in available surpluses. Some of these may have been destined for Transnistria to make good the Russian scorching.

6. Food Conditions

511 Food conditions have varied according to local resources, and in the months following the poor crops of 1942, according to the success of local prefects and officials in securing supplementary quantities from the more favoured areas. The [162] greater part of the population is rural, and most families feed themselves with their own home-grown produce. In the earlier years of the war these were able to maintain their consumption standards, but in 1942-43 there must have been a more serious degree of shortage and privation than is usual even after short crops. In the towns there has been a severe curtailment of food supplies, mitigated in individual cases by access to the Black Market.

262 Urban shortages developed early in 1941 and 434 official rationing cards were introduced in May of 511 that year in Bucarest and brought into use soon after. Sugar and meat were the first commodities to be rationed. The original sugar ration was 375 grammes (13 oz.) per week, but since May 1943 it has been only 125 grammes (4½ oz.). Meat originally 250 grammes (9 oz.), is still (July 1943) at this level, though for a short time at the end of 1942 it was higher owing probably to the abnormal slaughterings caused by fodder shortages in 1942. Bread was first officially rationed in January 1942, but was preceded by baking regulations requiring maize admixtures in the loaf. The ration of 300

262 grammes (10½ oz.) daily was available on five days
434 of the week only; on the other two days maize
511 meal only (for *mămăligă*) could be bought. The bread ration was reduced to 250 grammes in June 1942 and maize meal itself was rationed in August. The number of breadless days has varied, while barley, flour or potatoes have at times been offered in place of maizemeal. The bread mixture has also included varying proportions of maize, barley, potato and other flours. The allowance in June 1943 was 250 grammes of bread on five days and 1 000 grammes (35 oz.) of maize flour or potato flour on each of the remaining two days. All these quantities apply to Bucarest only. Other towns show variants of these regulations depending on local supplies.

234 The most serious shortage in Bucarest and
435 possibly in other towns appears to be milk.
511 Owing to the depletion of surrounding herds following the high cost and scarcity of fodder only a small part of the former supply now arrives. Some milk, as with all products, is diverted to the Black Market and official mistakes in price policy at various times have caused temporary shuts or stoppages in food supplies. Other livestock products and edible oil are also chronically short in the towns.

7. Food Prices

435 In spite of official attempts to protect con-
565 sumers from increases, retail prices and the cost of
511 living have risen almost to the same extent as producers' and wholesale prices. Taking autumn 1939 as 100 the cost of living was 330 and the cost of food 350 in the spring of 1943. These increases have been severely felt by the working and lower-middle classes. Official measures were taken to alleviate the situation of civil servants by the setting up of stores and canteens with reduced prices, some of the goods being supplied from Transnistria. Likewise firms with over 50 employees were ordered to supply them with essential foodstuffs at low prices. Persons with more ample resources make use of the Black Market on which all the ordinary foodstuffs are obtainable usually at only two to three times the official prices, the moderate character of these official prices being itself another illustration of the large quantities available through these channels due to the laxity of control.

315 Two additional pipelines, each of 10 in. diameter, constructed largely of material removed from France, have been built between Ploesti and Giurgiu, each with a capacity of over three quarters of a million tons a year.

New refinery and drilling equipment, which prior to the war Rumania used to import largely from the United States, has now to be obtained from Germany. The financial terms on which this equipment is obtained are unfavourable to Rumania and deliveries are slow.

2. German Influence on the Oil Industry

315 German pressure upon Rumania to obtain
648 greater supplies of oil has been largely exerted by
473 means of commercial penetration into the oil industry, but there is evidence that Nazi diplomats have laid particular emphasis on the German need for oil, suggesting that larger supplies might be available if production was increased and internal consumption reduced.

German penetration into the Rumanian oil industry began to take aggressive form some time before the war. The Germans first acquired a minority holding in Creditul Minier, then in 1939 secured control of Petrol-Block. The collapse of France afforded further opportunities of encroachment, and through Kontinental Oel A.G. control of Concordia and Colombia was secured; similarly, by assuming arbitrary control of Dutch interests the Germans now direct the policy of Astra-Română, the largest of the producing companies. In all, German influence through financial control now extends to about 50 per cent. of the industry, and 60 per cent. of productive capacity, quite apart from the pressure the Germans can exert through control of transport out of the country. The actual effect of this influence is not easily assessed, modified as it is by Rumania's nationalistic oil legislation—particular privileges are reserved under the new mining laws for companies which can show that 75 per cent. of their capital is in Rumanian hands—and the instinctive aversion of the Government to outside control. It is, however, sufficient to ensure that German requirements have a definite priority, and nationalistic as some parts of the new mining law may be, any measures serving to increase immediate production, under whatever pretext they are taken, are beneficial to Germany's interests. Tables I and II on pages 15 and 16 show the approximate strength of the oil groups by nationalities in 1940 and 1942. 1

3. War-time Restrictions

315 Nearly 70 per cent. of Rumanian petroleum
135 consumption is represented by fuel oil, and a theoretical saving could be brought about by the use of coal and natural gas. Coal resources, however, are limited, and in any event a greatly increased use of coal is restricted also by the speed at which locomotives and power plants can be converted from oil to coal burning.

315 In November 1942 a petrol-rationing scheme
434 was introduced, and although the allowances were on a liberal scale, the regulations do not appear to have been observed and the scheme as a whole was ineffective. In March 1943 this was admitted by the announcement that the scheme would be more strictly enforced and new ration cards issued. Simultaneously regulations were published concerning the use of taxis, and a time limit of September 1943 was set for the conversion of boiler plant.

In general, attempts to restrict consumption either by the announcement of new regulations

1 [Cf. cat. 315, pp. 15c and 16a-Analyst]

[14b]

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434 or the enforcement of old, have lately been more determined.

These measures, however, are unlikely to result in a saving of more than a quarter of a million tons a year, and rationing regulations and restrictions are probably less severe in Rumania than elsewhere in Europe.

D. NATURAL GAS

315 In addition to the supplies of liquid fuel derived from her oil wells, Rumania has considerable resources of natural gas. Production of gas in the Ploeşti oilfield area in the years before the war was used mainly for the making of gasolene, for gas lift in wells, for heating purposes in field and refinery, and for household use. There was no surplus for use outside the Ploeşti district.

Of much greater importance than these supplies of casing-head gas are Rumania's resources of methane natural gas from Mănești and Transylvania. While the Mănești gas deposits were known before the war, the extent of the reserves there had not been determined.

In Transylvania the reserves are estimated at not less than 500 000 million cubic metres. Pro-

248 439 Paper, and paper mixed with hemp, are now used to substitute jute.

Although a comparatively large producer of soft hemp, Rumania normally needed to import about 2,300 tons of other hemps for special purposes, and the sources of these imports have been severed since her entry into the war.

Comparatively negligible amounts of coir were also imported in peacetime.

288 291 434 **8. Clothes Rationing**

Unlike almost all other Enemy and Occupied countries, Rumania possesses no official clothes-ration card, although purchases are restricted to a specific number of garments per year. Since 1940 the Government, anxious to avoid the necessity for a card rationing system, has adopted various means in an endeavour to overcome the shortage of textiles, particularly of cotton and wool.

Standardisation of fabrics and fixed prices were introduced in 1940, but clothing of standardised material was frequently unobtainable since the price did not leave the retailer a profit.

Army demands soon called for a great increase in clothing production, thereby reducing the stocks and greatly raising prices of civilian clothing—those for overcoats rose by 300 per cent. and for knitted goods by 400 per cent.—and the difficulty of importing raw materials soon reacted on the industry, so that by 1941 the textile shortage, particularly of bed linen, had become serious. Later in the same year, the Ministry of Supply blocked the sale of all semi-manufactured or manufactured blankets.

Early in 1942 the Government requested the public to purchase only necessities, ordering the industry at the same time to use cotton allocations for the manufacture of standardised bed linen and clothing only. Later in 1942 it was decreed that the annual allotment of garments per head of the population was two suits or frocks, one overcoat, three shirts, 12 handkerchiefs, three pairs of socks or stockings, one sheet, three towels. The sale of standard cloth was restricted to three metres per person per annum. For this arrangement, however, clothing coupons were not issued and purchasers were requested to produce their identity cards and a signed certificate of need if the purchase exceeded 300 lei.

291 435 Non-standard articles are still obtainable, but their exorbitant prices make them accessible to a limited section of the public only. Retailers are known to have refused the sale of standard cloth even when displayed, in order to secure, if possible, the higher profit margin for non-standard goods.

[565] The members of the public most severely affected by clothing shortage and high prices are industrial workers and the poorer urban population. Though the large firms are supposed by law to supply their employees with clothing (as well as food) at cheap prices, it is thought that this is not being widely practised.

Prices of all materials for men's garments have risen to such an extent that people cannot afford to buy even such goods as are available in the shops.

248 656 To counteract shortage of clothing fibres, peasants are being encouraged by the Government to increase cultivation of flax and hemp for production of the rough cloth suitable for peasant clothing.

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C. PAPER AND PULP

With a normal consumption of only 3·3 kg. (7¼ lb.) of paper and board per head of the population, compared with 37 kg. (81·4 lb.) in Great Britain, Rumania is one of the smallest consumers in Europe. The country's requirements in ordinary grades of paper and board are well covered by about thirteen paper mills, some of which also manufacture both chemical and mechanical wood pulp.

Newsprint requirements are met by home production.

Pre-war (1936) production of chemical pulp was 37,000 tons and of mechanical wood pulp 9,000 tons, while the output of paper in the same year was 48,000 tons, and of cardboard 10,000 tons.

[439] Small imports of sulphate pulp normally came from Sweden, and of mechanical wood pulp from Austria.

In 1940 the production of paper rose to 105,150 tons, of which little more than half was sold internally and about 90 per cent. came from mills in the Rumanian Paper Cartel.

By the early part of 1942 a critical situation had arisen due to scarcity of fuel and raw materials.

The principal pulp and paper mills having four or five machines each and an annual capacity each of 24-30,000 tons of paper are as follows:—

(a) Fabrica de Celuloză Zărnești S.A., Brașov.
(b) "Letea" Fabrica de Hârtie Bacău.
(c) Fabrica de Hârtie "Bușteni" (C. & S. Schiel) at Bușteni.

The remaining mills, about ten in number, are much smaller, and three of them, with a combined capacity of 67,000 tons per annum, have come under Hungarian ownership following the Vienna Award.

Zărnești Cellulose Mill is of primary importance as the main source of chemical wood pulp for domestic consumption and export, and it is believed that this factory is now making special bleached cellulose for the manufacture of explosives. Elaborate machinery imported from Germany was installed with fair promptitude.

The utilisation of reeds from the Danube delta has not yet (July 1943) begun, although much publicity has been given to this project in the local and German press, but a concession has been granted to a German-Rumanian Society, "Delta A.G." The Zărnești and Bușteni Paper Mills are participating and investigations are under way. A similar concession asked for by the Snia Viscosa concern in Italy is said to have been refused.

●[434] In 1942 consumption of paper in the first half of the year amounted to over 90 per cent. of production, but in the second half-year the Cabinet imposed fresh restrictions on consumption in order to remedy the increasing shortage.

[439] There is a considerable trade with the Italian Government in bituminised cardboard for walling and roofing military hutments, and it is believed that a part of these are imported from Scandinavia and exported, after bituminising, to Italy and the U.S.S.R. for the Italian Expeditionary Forces. It is also likely that since the bombing raids on Italy extra demands have been made for repair purposes.

282 cattle hides collected in September, October and November, 1941, were for this purpose. The remaining 32 per cent., plus the horsehides, pigskins and goatskins, could be used for civilian purposes. The result was that very soon insufficient sole leather was available for civilians, and repairs to footwear became difficult.

282 456 At present 80 per cent. of the cattle hides weighing over 16 kilos (35 lb.), and 20 per cent. of the hides weighing less than 16 kilos, are reserved for the Army. This leaves the civilians very short of sole leather, normally manufactured from heavy hides.

At the end of 1941, the Ministry of Supply ordered the registration of all leather stocks, and thereafter leather could not be sold without a permit. The entire purchasing and control of raw hides and skins and also the distribution of leather was placed in the hands of the "ORAP" (*Oficiul Romăn de Aprovizionare şi Distribuire a Produselor de Pielărie*).

In the autumn of 1941 private dealings in sheep and lambskins were forbidden, the Army Supply Minister having sole right of disposal. Owing to the comparatively important domestic output such a measure should not have been necessary, but was due to the Rumanian, and probably German, demands for warm clothing on the Russian front. Evidence received in 1942 shows that 80 per cent. of the skins are now reserved for the Army.

In July, 1942, leather transmission-belting, etc., was brought under control and made subject to certain restrictions.

295 434 Civilian rationing of footwear was introduced early in 1942 and new shoes could be sold only against permits issued to persons declaring possession of only one other pair of serviceable shoes. Repair cards were also issued. Requisition cards for new shoes are limited to one a year, and repair cards to one every four months. Children under 14 years of age can obtain two requisition cards yearly for new footwear.

The issue of permits does not, however, guarantee footwear supplies, and only about 50 per cent. of repair or purchase demands appear to be met.

The above regulations have been slightly modified from time to time, but remain intrinsically the same. The production of footwear of substitute materials, such as wooden soles, soles of artificial leather, leather waste, buna, etc., has gradually increased.

295 435 Despite the various government regulations the footwear Black Market flourished, and while the average pre-war price for a pair of men's shoes was 800 lei, in October, 1941, the official prices were fixed at about 1,500 lei for a standard pair of men's shoes and about 1,200 lei for a standard pair of women's shoes. In March, 1942, however, the Black Market price for men's shoes was 7/8,000 lei a pair, and this has now gradually risen to 10/12,000 lei. Complete soleing and heeling of men's footwear costs 1,250 lei officially, and women's 1,000 lei. The official price of soleing leather is 530 lei per kilo, whereas the Black Market price is 34,000 lei.

2. Tanning Materials

282 439 Before the war Rumania never made use of her own barks for tanning, as it was more economical to import extracts from overseas. During the war she has made attempts to employ her oak, chestnut, spruce and pine barks for tanning materials, but